



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

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DAVID E. JANSSEN
Chief Administrative Officer

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January 11, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**FIVE-YEAR OPTION TO RENEW - LEASE NO. 70586
MUSEUM OF NATURAL HISTORY - 4400 SEVILLE AVENUE, VERNON
(FIRST DISTRICT) (3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to exercise the five-year option to extend the term of the current lease with William A. Pistey and Marie-Louise Pistey (Landlord), for 16,038 gross square feet of industrial warehouse space located at 4400 Seville Avenue, Vernon, for use by the Museum of Natural History at the fixed annual rent of \$86,604. The rental costs are 100 percent net County cost.
2. Find that this lease is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to Class 1, Section r of the Environmental Document Reporting Procedures and Guidelines adopted by your Board on November 17, 1987, and Section 15061 (b) (3) of the State CEQA Guidelines.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The exercise of the renewal option will provide the Museum of Natural History continued use of warehouse space which is utilized for marine mammal research and collection storage. The facility is also available for tour by prospective donors and upon request for educational purposes. The facility is staffed by three permanent staff on a part-time basis.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The Countywide Strategic Plan directs that we provide the public with easy access to quality information and services that are both beneficial and responsive (Goal 1). The proposed exercise of the option to renew the lease term supports this goal with a centrally located storage and research facility for the Museum of Natural History as further outlined in Attachment A.

FISCAL IMPACT/FINANCING

The proposed exercise of the option to renew the term for this split service lease will provide uninterrupted use of 16,038 square feet of warehouse space and 14 parking spaces at the base monthly rent of \$7,217, or \$86,604 annually. The base rent is not subject to adjustment during the term.

4400 SEVILLE AVENUE, VERNON	EXISTING LEASE	PROPOSED LEASE RENEWAL	CHANGE
Area (Square feet)	16,038	16,038	None
Term	03/01/1997 - 02/28/2005	03/01/2005 - 02/28/2010	+ five-years
Annual Rent	\$80,832, split service, net utilities*	\$86,604, split service, net utilities*	+\$5,772
Parking (included in rent)	14 off-street spaces	14 off-street spaces	None
Cancellation	After 36 months upon 180 days prior written notice	After 36 months upon 180 days prior written notice	None
Option to Renew	Two five-year options	One five-year option	One five-year option remains
Rental Adjustment	None	None	None

*County provides insurance, property taxes, interior maintenance, utilities, janitorial service and supplies.

Sufficient funding of the base rent and operational costs for the proposed renewal is included in the 2004-2005 budget for the Museum of Natural History.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed five-year renewal will provide uninterrupted use of 16,038 gross square feet of warehouse space and 14 parking spaces. The option extends the term under the same terms and conditions provided in the original lease which contains the following provisions:

- The building owner and County Counsel concur the Board letter, when approved, will suffice to exercise the option to renew the term and no other documentation is necessary.
- The five-year renewal term will commence March 1, 2005, upon expiration of the original eight-year term;
- The current monthly rent will increase from \$6,736 to \$7,217 and remain fixed for the new five-year term;
- One option to renew the term for an additional five years remains.

The split service lease provides County responsibility for insurance, property taxes, interior maintenance, utilities, janitorial service and supplies. The Lessor will remain responsible for structural maintenance, concealed building systems, parking and landscaping.

The Department of Public Works has completed a seismic inspection of the facility and found it suitable for the County's continuing occupancy.

The Chief Administrative Office (CAO), Real Estate Division staff conducted a survey within the project area to determine the availability of comparable and more economical sites. Staff was unable to identify any suitable sites in the surveyed area that could accommodate this space requirement. Staff has established that the rental range for similar industrial warehouse space is between \$5.40 and \$6.00 per square foot per year triple net. Thus, the base annual rental rate of \$5.40 modified gross for the proposed lease represents the lower range of the market for the area. Attachment B shows all County-owned or leased facilities in the proximity of the service area, and there are no County-owned or leased facilities available for this program.

LEGAL/NEGATIVE DECLARATION/ENVIRONMENTAL IMPACT REPORT

The CAO has made an initial study of environmental factors and has concluded that this project is exempt from CEQA pursuant to Class 1, Section r, of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section (b) of the State CEQA Guidelines.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

It is the finding of the CAO that the proposed exercise of the renewal option is in the best interests of the County and will provide the space necessary for the Museum of Natural History to continue program operations. In accordance with your Board policy on the housing of any County offices or activities, the Museum of Natural History concurs in the lease recommendation.

CONCLUSION

It is requested that the Executive Officer, Board of Supervisors return two originals of the Notice of Exercise of Option, two originals of the certified copies of the Minute Order and the adopted, stamped Board letter to the CAO Real Estate Division at 222 South Hill Street, 3rd Floor, Los Angeles, CA 90012.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:CWW
CEM:MM:hd

Attachments (2)

c: County Counsel
Auditor-Controller
Museum of Natural History